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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	
NEXTWAVE PERSONAL COMMUNICATIONS INC.,	:	Case No. 98 B 21529 (ASH)
NEXTWAVE POWER PARTNERS INC.,	:	Case No. 98 B 21530 (ASH)
NEXTWAVE PARTNERS INC.,	:	Case No. 98 B 21531 (ASH)
NEXTWAVE WIRELESS INC., and	:	Case No. 98 B 21532 (ASH)
NEXTWAVE TELECOM INC.,	:	Case No. 98 B 23303 (ASH)
	:	
Debtors.	:	Jointly Administered Under
	:	Case No. 98 B 21529 (ASH)

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**MODIFIED FIRST AMENDED JOINT PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE OF NEXTWAVE PERSONAL
COMMUNICATIONS INC., NEXTWAVE POWER PARTNERS INC.,
NEXTWAVE PARTNERS INC., NEXTWAVE WIRELESS INC.
AND NEXTWAVE TELECOM INC.**

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NextWave Personal Communications Inc., NextWave Power Partners Inc., NextWave Partners Inc., NextWave Wireless Inc., and NextWave Telecom Inc., as debtors and debtors-in-possession in the above-captioned jointly administered Chapter 11 cases, hereby propose the following Modified First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code pursuant to 11 U.S.C. § 1121(a). All creditors and equity security holders are encouraged to consult the accompanying Disclosure Statement as approved by the Bankruptcy Court before voting to accept or reject this Plan.

NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH AND APPROVED BY THE BANKRUPTCY COURT HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

ARTICLE I

DEFINITIONS

For the purposes of this Plan, the following terms shall have the respective meanings set forth below:

1.1 *Administrative Claim* means any Claim entitled to priority under sections 503(b), 507(a)(1), 365(d)(3) or 365(d)(10) of the Bankruptcy Code, including, without limitation (i) any actual and necessary costs and expenses of preserving the Debtors' estates; (ii) any Fee Claims; (iii) any fees or charges assessed against the Debtors' estates under 28 U.S.C. § 1930; (iv) all costs and expenses, including any recording fees, transfer taxes and the like, arising out of or related to the transfer of the Debtors' assets pursuant to this Plan; and (v) other Claims as ordered by the Bankruptcy Court.

1.2 *Administrative Convenience Claim* means any General Unsecured Claim of \$20,000 or less.

1.3 *Adversary Proceeding* means Adversary Proceeding No. 98-5178, captioned NextWave Personal Communications Inc. v. Federal Communications Commission, which was commenced on June 8, 1998 by filing an original complaint with the Bankruptcy Court, as such complaint was twice amended.

1.4 *Allowed*, when used with respect to any Claim, except an Administrative Claim or the Consenting Bridge Noteholders Claims, the Hughes Claims, the Hanareum Claims, the LG Claims and the CDMA California Partners Claim, means (i) such Claim to the extent it is not a Disputed Claim; (ii) such Claim to the extent it may be allowed pursuant to final order of the Bankruptcy Court; or (iii) a Disputed Claim, proof of which was timely filed with the Bankruptcy Court, and (A) as to which no objection was filed by the Objection Deadline, unless such Claim is to be determined

in a forum other than the Bankruptcy Court, in which case such Claim shall not become allowed until determined by final order of such other forum and allowed by final order of the Bankruptcy Court; or (B) as to which an objection was filed by the Objection Deadline, to the extent allowed by a final order of the Bankruptcy Court. “Allowed,” when used with respect to any Equity Interest, means an Equity Interest, proof of which was timely and properly filed or, if no such proof of Equity Interest was filed, an Equity Interest that has been or is hereafter listed by the Debtors on their Schedules as liquidated in amount and not disputed or contingent, and, in either case, as to which no objection to the allowance thereof has been interposed on or before the applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Court, or the Plan, or as to which any objection has been determined by a final order to the extent such objection is determined in favor of the respective holder.

1.5 *Allowed Consenting Bridge Noteholders Claims* means the total amount of all Consenting Bridge Noteholder Claims, which amount shall equal \$174,327,294.98 if all Bridge Noteholders are Consenting Bridge Noteholders.

1.6 *Avoidance Decision* means, collectively, the Bankruptcy Court’s (i) May 12, 1999 Decision on Constructive Fraudulent Conveyance Claim and (ii) June 22, 1999, Decision on Remedy in the Adversary Proceeding.

1.7 *Avoidance Judgment* means the Bankruptcy Court’s Final Judgment on Avoidance Claim in the Adversary Proceeding dated June 11, 1999, pursuant to which the Bankruptcy Court avoided NPCI’s obligations to the FCC in respect of its 63 C Block PCS licenses and determined that the FCC was entitled to enforce such obligation in the principal amount of \$548,846,194.

1.8 *Ballot* means the ballot upon which holders of Claims and Equity Interests in classes entitled to vote on the Plan vote to accept or reject the Plan.

1.9 *Bankruptcy Code* means title 11 of the United States Code, 11 U.S.C. § 101 *et seq.*, as in effect on the Petition Date, together with all amendments, modifications and replacements of the foregoing as the same may exist on any relevant date to the extent applicable to the Chapter 11 Cases.

1.10 *Bankruptcy Court* means the United States Bankruptcy Court for the Southern District of New York.

1.11 *Bankruptcy Rules* means the Federal Rules of Bankruptcy Procedure, as prescribed by the United States Supreme Court pursuant to 28 U.S.C. § 2075.

1.12 *Bridge Notes* means the Convertible Senior Subordinated Notes due 2002 issued by NTI.

1.13 *Bridge Noteholders* means the holders of Bridge Notes.

1.14 *Bridge Noteholder Claim* means the Claim of a Bridge Noteholder against NTI, NPPI, NPI and NWI arising under, in connection with or relating to the following: Convertible Senior Subordinated Notes due 2002; Securities Purchase Agreement dated as of April 9, 1996, among NTI and the signatories thereto; Subsidiary Guarantees dated April 9, 1996 among TC and the Bridge Noteholders, June 6, 1996 among NWI and the Bridge Noteholders, and August 1, 1996 among NPI and the Bridge Noteholders; Stock Pledge and Subordination Agreement dated June 18, 1997 among NTI, NPI and the Bridge Noteholders; and any and all modifications or amendments or documents related thereto in effect on the Petition Date.

1.15 *Business Day* means any day other than a Saturday, Sunday or “legal holiday” as defined in Bankruptcy Rule 9006(a).

1.16 *Cash* means U.S. Dollars, check drawn on a domestic bank or wire transfer from a domestic bank.

1.17 *CDMA California Partners Claim* means the Claim of CDMA California Partners, LLC, against NTI arising under, in connection with or relating to the following: Settlement and Debt Restructuring Agreement by and between NTI and CDMA California Partners dated April 24, 1998; Warrant to Purchase Shares of Series B Common Stock of NTI issued April 17, 1998; Stock Pledge and Subordination Agreement dated April 24, 1998; and any and all modifications or amendments or documents related thereto in effect on the Petition Date. The CDMA California Partners Claim, for the purposes of this Plan only, and without prejudice to any party’s rights to contest the amount, allowability or validity of such Claim if this Plan is not confirmed or does not become effective, is allowed in the aggregate amount of \$10,694,444.44.

1.18 *Cellexis* means Cellexis International, Inc.

1.19 *Chapter 11 Cases* means the above-captioned, jointly administered Chapter 11 bankruptcy cases of the Debtors.

1.20 *Claim* means a claim against a Debtor within the meaning of section 101(5) of the Bankruptcy Code.

1.21 *Committee* means the current Official Committee of Unsecured Creditors in the Chapter 11 Cases appointed pursuant to section 1102 of the Bankruptcy Code on July 27, 1998 in the Chapter 11 cases of NPCI, NPPI, NPI and NWI, and as amended on February 26, 1999 due to the commencement of NTI’s Chapter 11 case.

1.22 *Confirmation Date* means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket maintained by the clerk’s office.

1.23 *Confirmation Hearing* means the hearing at which the Bankruptcy Court considers confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code.

1.24 *Confirmation Order* means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

1.25 *Consenting Bridge Noteholder* means a holder of Bridge Notes that provides the Debtors with a written consent and agreement accepting this Plan, as modified, and agreeing to the settlement contained in Article XIV hereof.

1.26 *Consenting Bridge Noteholders Claims* means the Bridge Noteholder Claim held by a Consenting Bridge Noteholder. For the purposes of this Plan only, and without prejudice to any party's rights to contest the amount, allowability or validity of such Claims if this Plan is not confirmed or does not become effective, the amount of Consenting Bridge Noteholders Claims shall be Allowed at approximately \$1,354 per \$1,000 Bridge Note, not to exceed \$174,327,294.98 if all holders of the full outstanding principal amount of Bridge Notes are Consenting Bridge Noteholders.

1.27 *Contract Notice* means the notice to parties in interest listing the executory contracts and unexpired leases the Debtors intend to assume under this Plan which will be filed with the Bankruptcy Court fifteen (15) days prior to the Confirmation Hearing and served upon affected Persons, including any supplements or amendments thereto.

1.28 *Current Active Employees* means all employees of the Debtors on the Confirmation Date, except for NTI's current Chief Executive Officer and President and those employees on leave of absence.

1.29 *Debtors* means NPCI, NPPI, NPI, NWI and NTI, collectively, as debtors and debtors in possession.

1.30 *DIP Loan Agreement* means that certain Post-Petition Loan and Security Agreement, dated as of June 16, 1998, by and among Cellexis and NPCI, NPPI, NPI, NWI and NTI, as the same may have been amended or modified from time to time including, but not limited to, Amendment No. 4 to the same approved by the Bankruptcy Court on November 17, 1999.

1.31 *DIP Loan Claims* mean the Administrative Claims of Cellexis and any Participant arising under the DIP Loan Agreement, consisting of the aggregate amount of outstanding and unpaid principal and interest, and any other amounts payable under the DIP Loan Agreement.

1.32 *Disbursing Agent* means any entity in its capacity as a disbursing agent under section 8.2 of this Plan. The Reorganized Debtors may, in their sole discretion, act as Disbursing Agent hereunder.

1.33 *Disclosure Statement* means the disclosure statement relating to the Plan and any amendments thereto, as approved by the Bankruptcy Court on July 27, 1999, pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017.

1.34 *Disputed Claim* means (i) every Claim that is scheduled by the Debtors as disputed, contingent or unliquidated; or (ii) every Claim or part thereof, proof of which has been filed with the Bankruptcy Court and to which an objection to the allowance thereof, in whole or in part, has been interposed on or prior to the Objection Deadline or such other time as may be directed by the Bankruptcy Court and which objection has not been withdrawn, settled or determined by a final order of the Bankruptcy Court.

1.35 *Distribution Date* means the later of (i) the Effective Date or within 10 days thereafter; (ii) the date by which an Allowed Claim is to be paid hereunder if other than the Effective Date; or (iii) within twenty (20) days after the date on which a Disputed Claim becomes an Allowed Claim.

1.36 *Effective Date* means the first Business Day on or after the Confirmation Date on which (i) no stay of the Confirmation Order is in effect; and (ii) all the conditions to the effectiveness of the Plan have been satisfied or waived as provided in Article XI hereof.

1.37 *Equity Interest* means any “equity security” of the Debtors, as that term is defined in section 101(16) of the Bankruptcy Code.

1.38 *Existing Options/Warrants* means all options, warrants or rights, contractual or otherwise, in existence as of the Petition Date, to acquire an Equity Interest in NTI, including all incentive stock options, non-qualified stock options, and stock appreciation rights granted under any NTI sponsored stock option plans.

1.39 *Existing NTI Series A Common Stock* means all the shares of Series A Common Stock par value \$0.0001 of NTI, issued and outstanding on December 23, 1998.

1.40 *Existing NTI Series B Common Stock* means (i) all the shares of Series B Common Stock par value \$0.0001 of NTI, issued and outstanding on December 23, 1998; (ii) any shares of Series B Common Stock par value \$0.0001 of NTI to issued in accordance with the proper exercise of any conversion rights or Existing Options/Warrants prior to the Voting Deadline; and (iii) any shares of Series B Common Stock subject to issuance on or after the Effective Date pursuant to the terms of the Plan.

1.41 *FCC* means the Federal Communications Commission, an agency of the United States government.

1.42 *FCC Claims* means, collectively, the Allowed FCC NPCI Claim and the Allowed FCC NPPI Claim.

1.43 *FCC C Block Notes* means the Amended and Restated Installment Payment Plan Notes to be executed by NPCI in favor of the FCC in respect of NPCI's 63 C Block PCS licenses, with an aggregate face amount equal to the Allowed amount of the FCC NPCI Claim as determined upon a Final Disposition or by agreement of the parties, the form of which will be submitted to the Bankruptcy Court for approval as a Plan Document.

1.44 *FCC F Block Notes* means the Amended and Restated Installment Payment Plan Notes to be executed by NPPI in favor of the FCC in respect of NPPI's 32 F Block PCS licenses, with an aggregate face amount equal to the Allowed Amount of the FCC NPPI Claim as determined upon a Final Disposition or by agreement of the parties, the form of which will be submitted to the Bankruptcy Court for approval as a Plan Document.

1.45 *FCC NPCI Claim* means the Allowed Claim of the FCC against NPCI in an aggregate principal amount to be determined upon a Final Disposition, as evidenced by the FCC C Block Notes.

1.46 *FCC NPPI Claim* means the Allowed Claim of the FCC against NPPI in an aggregate principal amount to be determined upon a Final Disposition, as evidenced by the FCC F Block Notes.

1.47 *Fee Application* means an application of a Professional Person under sections 330, 331 or 503 of the Bankruptcy Code for allowance of a Fee Claim.

1.48 *Fee Claim* means any Claim by a Professional Person under sections 330, 331 or 503 of the Bankruptcy Code for allowance of compensation and/or reimbursement of expenses in the Chapter 11 Cases.

1.49 *Final Disposition* means a final order, judgment or decree entered by a court of competent jurisdiction (A) as to which the time to appeal, petition for certiorari or move or petition for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other motion or petition for reargument or rehearing is then pending, (B) as to which any right to appeal, petition for certiorari, or move or petition for reargument or rehearing shall have been waived, in writing, in a form and substance satisfactory to the Debtors or (C) in the event that an appeal, petition for certiorari or motion or petition for reargument or rehearing has been sought, such appeal, petition for certiorari or motion or petition for reargument or rehearing has (i) been denied and the time to further appeal, petition for certiorari or move or petition for reargument or rehearing shall have expired, or (ii) such appeal, petition for certiorari or motion or petition for reargument or rehearing has been withdrawn with prejudice.

1.50 *General Unsecured Claim* means any Claim against the Debtors that is not an Administrative Claim, a Priority Tax Claim, a Priority Non-Tax Claim, an Administrative Convenience Claim, a Secured Claim, an Intercompany Claim, or one of the FCC Claims.

1.51 *Hanareum Claims* means the Claims of Hanareum Banking Corporation against NTI, NPPI, NPI and NWI arising under, in connection with or relating to the following: Registration Rights Agreement by and between NTI and Samyang dated April 4, 1997; Loan Agreement by and between NTI and Samyang dated April 4, 1997; Loan Agreement by and between NTI and Samyang dated June 18, 1997; Warrants to purchase shares of NTI Series B Common Stock issued February 6, 1997, March 21, 1997, April 4, 1997, May 8, 1997 and June 18, 1997; Promissory Note dated March 21, 1997 in the original principal amount of \$3,000,000; Senior Pledge Agreement by and between NTI and Samyang dated June 18, 1997; Promissory Note dated April 4, 1997 in the original principal amount of \$6,000,000; Promissory Note dated May 8, 1997 in the original principal amount of \$13,600,000; Loan Agreement between NTI and Samyang dated March 21, 1997; Promissory Note dated February 6, 1997 in the original principal amount of \$1,000,000; Subordinated Pledge Agreement by and between NTI and Samyang dated June 18, 1997; Loan Agreement by and between NTI and Samyang dated February 6, 1997; Second Subordinated Pledge Agreement by and between NTI and Samyang dated June 18, 1997; Subsidiary Guarantee by and between NTI and Samyang dated June 18, 1997; Loan Agreement by and between NTI and Samyang dated May 8, 1997; Promissory Note dated June 18, 1997 in the original principal amount of \$11,000,000; Subordinated Pledge Agreement by and between NPI and Samyang dated June 18, 1997; Second Subordinated Pledge Agreement by and between NPI and Samyang dated June 18, 1997; Subsidiary Guarantee by and among Samyang, NWI, NPI, NPPI and TC dated June 18, 1997; and any and all modifications or amendments or documents related thereto in effect on the Petition Date. The Hanareum Claims are allowed, for the purposes of this Plan only, and without prejudice to any party's rights to contest the amount, allowability or validity of such Claims if this Plan is not confirmed or does not become effective, in the aggregate amount of \$40,095,311.73.

1.52 *Hughes* means Hughes Network Systems, Inc.

1.53 *Hughes Claims* means the Claims of Hughes against NTI and NPCI arising under, in connection with or relating to the following: Registration Rights Agreement by and between NTI and Hughes dated October 29, 1996; Letter Agreement by and between NTI and Hughes dated January 8, 1997; Security Agreement by and between NTI and Hughes dated January 8, 1997; Letter Agreement by and between NTI and Hughes dated March 28, 1997; Letter Agreement by and between NPCI and Hughes dated March 28, 1997; Letter Agreement by and between NTI and Hughes dated June 18, 1997; Convertible Secured Promissory Note dated October 30, 1996 in the original principal amount of \$35 million; Convertible Promissory Note Subscription Agreement dated October 29, 1996; and all modifications or amendments or documents related thereto in effect on the Petition Date. The Hughes Claims are allowed, for the purposes of this Plan only, and without prejudice to any party's rights to contest the amount, allowability or validity of such Claims if this Plan is not confirmed or does not become effective, in the aggregate amount of \$44,718,333.33.

1.54 *Incentive Option Shares* means options to purchase up to 11% of the total number of shares of NTI Series B Common Stock on a fully diluted basis as of the Effective Date.

1.55 *Indenture* means the indenture governing the NTI Senior Subordinated Notes, dated as of the Effective Date, the form of which will be submitted to the Bankruptcy Court for approval as a Plan Document.

1.56 *Intercompany Claim* means any Claim by (i) any of the Debtors against another Debtor, or (ii) a direct or indirect subsidiary of NTI against any Debtor on account of any intercompany notes, claims or accounts arising prior to the Petition Date.

1.57 *Intercreditor Agreement* means an agreement among the holders of Senior Claims, other than Hughes and LG InfoComm, with respect to the liquidation and payment priority of the Hanareum Claims, the CDMA California Partners Claim and the Bridge Noteholders Claims, the form of which will be submitted to the Bankruptcy Court for approval as a Plan Document, and shall be binding upon the signatories thereto and their respective successors and assigns. The Intercreditor Agreement may be either a separate agreement or embodied in the terms of the Indenture.

1.58 *LG InfoComm* means, collectively, LG InfoComm, Inc. and LG Information & Communications Ltd.

1.59 *LG InfoComm Claims* means the Claims of LG InfoComm against NTI and NPCI, arising under, in connection with or relating to the following: Loan Agreement by and between NTI and LG InfoComm dated February 23, 1996; Loan Agreement by and between NTI and LG InfoComm dated January 6, 1997; Stock Pledge Agreement by and between NTI and LG InfoComm dated January 6, 1997; Stock Pledge Agreement by and between NTI and LG InfoComm dated June 3, 1997; Amendment No. 2 to Loan Agreement by and between NTI and LG InfoComm dated June 3, 1997; and all modifications or amendments or documents related thereto in effect on the Petition Date. The LG InfoComm Claims are allowed, for the purposes of this Plan only, and without prejudice to any party's rights to contest the amount, allowability or validity of such Claims if this Plan is not confirmed or does not become effective, in the aggregate amount of \$43,193,335.70.

1.60 *License Subsidiaries* means the direct or indirect subsidiaries of NTI now existing or hereafter formed holding PCS Licenses.

1.61 *NPCI* means NextWave Personal Communications Inc.

1.62 *NPI* means NextWave Partners Inc.

1.63 *NPPI* means NextWave Power Partners Inc.

1.64 *NTI* means NextWave Telecom Inc.

1.65 *NTI Senior Redeemable Preferred Stock* means the Redeemable Preferred Stock of NTI, senior to all other equity securities of NTI, having a stated value of \$100.00 per share, and an aggregate stated value equal to the total amount of Allowed General Unsecured Claims held by holders of General Unsecured Claims electing to receive Plan Securities pursuant to section 4.11.2 of this Plan, to be issued and outstanding as of the Effective Date and having the rights, privileges and

preferences set forth in the certificate of designation of preferred stock, the form of which will be submitted to the Bankruptcy Court for approval as a Plan Document.

1.66 *NTI Senior Subordinated Notes* means the 12% Senior Subordinated Notes due 2009 of NTI, having a maximum aggregate principal amount of \$225,000,000 to be issued and outstanding on the Effective Date, the form of which will be submitted to the Bankruptcy Court for approval as a Plan Document. Such Senior Subordinated Notes shall be secured by a lien on the outstanding stock of the License Subsidiaries and any proceeds thereof, which lien shall be subordinate as a silent second lien to any and all liens provided in connection with Vendor Financing or any subsequent vendor financing, and shall carry the terms and conditions set forth in the Indenture and the form of NTI Senior Subordinated Note which will be submitted to the Bankruptcy Court for approval as Plan Documents. The holders of NTI Senior Subordinated Notes shall have no right of acceleration or to exercise remedies absent acceleration and the exercise of remedies by the providers of the Vendor Financing or any vendors providing financing to the Reorganized Debtors throughout the term of the NTI Senior Subordinated Notes.

1.67 *NTI Series A Convertible Stock* means the Series A Convertible Preferred Stock of NTI, with a stated value of \$150.00 per share, to be issued and outstanding as of the Effective Date and having the rights, privileges and preferences set forth in the certificate of designation of preferred stock, the form of which will be submitted to the Bankruptcy Court for approval as a Plan Document.

1.68 *NTI Series B Warrants* means the warrants to be issued under the Plan to purchase shares of NTI Series B Common Stock with an exercise price of \$3.00 per share and an expiration date of the fifth anniversary of the Effective Date. Each NTI Series B Warrant shall be exercisable into one share of NTI Series B Common Stock. The form of warrant agreement will be submitted to the Bankruptcy Court for approval as a Plan Document.

1.69 *NWI* means NextWave Wireless Inc.

1.70 *Objection Deadline* means the date by which objections to Claims shall be filed with the Bankruptcy Court and served upon the holders of Claims, which date shall be (i) for Administrative Claims, the date that is thirty (30) days after a request for payment of such Claim has been filed and served in accordance with section 5.1.1 of the Plan; and (ii) for all other Claims, the date that is 180 days after the Effective Date.

1.71 *Other Secured Claim* means any Secured Claim that is not a Senior Claim.

1.72 *Participant* means any holder of a participation interest under the DIP Loan Agreement.

1.73 *PCS Licenses* means, collectively, the C, D, E and F Block PCS licenses held by the Debtors as of the date hereof.

1.74 *Person* means any individual, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government or any agency or political subdivision thereof or other entity.

1.75 *Petition Date* means June 8, 1998, with respect to NPCI, NPPI, NPI and NWI, and December 23, 1998, with respect to NTI.

1.76 *Plan* means this joint Chapter 11 plan of reorganization (including all documents and supplements related hereto) either in its present form or as it may hereafter be altered, amended or modified from time to time.

1.77 *Plan Documents* means all the documents that aid in effectuating the Plan, substantially in the forms filed with the Bankruptcy Court fifteen (15) days prior to the Confirmation Hearing, as the same may be amended or modified, including, but not limited to (i) the FCC C Block Notes; (ii) the FCC F Block Notes; (iii) the Vendor Commitment Letters; (iv) the executed commitment letters or subscription agreements to purchase shares of NTI Series A Convertible Preferred Stock; (v) the NTI Senior Subordinated Notes; (vi) the certificates of designation for the NTI Senior Redeemable Preferred Stock and the NTI Series A Convertible Preferred Stock; (vii) the NTI Series B Warrants; (viii) the Indenture; (ix) the Intercreditor Agreement; (x) the amended and restated certificates of incorporation and bylaws for each of the Reorganized Debtors; and (xi) all related documents in connection with each of the foregoing, including such other supplements and amendments thereto as may be filed at any time prior to the Confirmation Hearing.

1.78 *Plan Securities* means, collectively, the NTI Senior Subordinated Notes, the NTI Senior Redeemable Preferred Stock, the NTI Series A Convertible Preferred Stock, and the NTI Series B Warrants.

1.79 *Priority Non-Tax Claim* means any Claim that is entitled to priority in payment pursuant to sections 507(a) (3), (4), (5), (6), (7) or (9) of the Bankruptcy Code and that is not an Administrative Claim or a Priority Tax Claim.

1.80 *Priority Tax Claim* means any Claim of a governmental unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

1.81 *Professional Person* means any Person retained or to be compensated by the Debtors pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code.

1.82 *Reorganized Debtors* means the Debtors, as reorganized under and pursuant to this Plan, from and after the Effective Date; or, if the term Reorganized is used with respect to an individual Debtor, such individual Debtor, as reorganized under and pursuant to this Plan, from and after the Effective Date.

1.83 *Samyang* means Samyang Merchant Bank.

1.84 *Schedules* means the schedules of assets and liabilities filed by the Debtors with the Bankruptcy Court pursuant to section 521(1) of the Bankruptcy Code as they may have been or may hereafter be amended or supplemented in accordance with Bankruptcy Rule 1009 or any order of the Bankruptcy Court.

1.85 *Secured Claims* means (i) the Senior Claims, and (ii) any other Claim secured by a lien on collateral to the extent of the value of such collateral (a) as set forth in this Plan, (b) as agreed to by the holder of such Claim and the Debtors or (c) as determined by a final order in accordance with section 506(a) of the Bankruptcy Code, or in the event that such Claim is subject to setoff under section 553 of the Bankruptcy Code, to the extent of such setoff.

1.86 *Securities Act* means the Securities Act of 1933, as the same may be amended from time to time.

1.87 *Senior Claims* means, collectively, the Hanareum Claim, the Bridge Noteholder Claims, the LG InfoComm Claim, the Hughes Claim and the CDMA California Partners Claim.

1.88 *Statements of Financial Affairs* means the statements of financial affairs accompanying the Schedules filed by the Debtors with the Bankruptcy Court pursuant to section 521(1) of the Bankruptcy Code as they may have been or may hereafter be amended or supplemented in accordance with Bankruptcy Rule 1009 or any order of the Bankruptcy Court.

1.89 *Substantial Consummation* means (i) the transfer of all or substantially all of the property proposed by the Plan to be transferred; (ii) assumption by the Debtors or their successors under the Plan of the business or management of all or substantially all of the property dealt with by the Plan; and (iii) commencement of distribution under the Plan, all of which shall be deemed to have occurred on the Effective Date and include, but not be limited to, issuance of the Plan Securities, execution of the Plan Documents and any funding thereunder, and the commencement of payment of Allowed Claims.

1.90 *TC* means TELE*Code Inc.

1.91 *Vendor Commitment Letters* means the commitment letters governing the terms of the financing to be provided to the Reorganized Debtors in connection with the build out of their PCS network and related expenditures, which will be submitted to the Bankruptcy Court for approval as Plan Documents.

1.92 *Vendor Financing* means the financing to be provided to the Debtors by equipment vendors in connection with the build out of the Debtors' PCS network and related expenditures, pursuant to the terms and conditions of the Vendor Commitment Letters.

1.93 *Voting Deadline* means the date set by the Bankruptcy Court by which Ballots for accepting or rejecting the Plan must be received by the Debtors for tabulating such Ballots.

1.94 *Withheld Distribution Amount* means such amounts of property as the Reorganized Debtors shall withhold from distribution to holders of Claims or Equity Interests on account of Disputed Claims, in an amount sufficient to distribute to the holder of each such Claim or Equity Interest its entitlement to the Cash or Plan Securities to be distributed hereunder, pending the allowance or disallowance of such Claim or Equity Interest, in whole or in part.

ARTICLE II

INTERPRETATION AND CONSTRUCTION

2.1 *Interpretation.* Unless otherwise specified herein, all section, article and exhibit references in this Plan are to the respective section in, article of, and exhibit to, this Plan, as the same may be amended, waived or modified from time to time. All headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

2.2 *Construction and Application of Bankruptcy Code Definitions.* Unless otherwise defined herein, words and terms defined in section 101 of the Bankruptcy Code shall have the same meanings when used in this Plan. Words or terms used but not defined herein shall have the meaning ascribed to that term or word, if any, in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

2.3 *Other Terms.* The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular article, section, subsection or clause contained in the Plan.

2.4 *Plan Documents.* The Plan Documents are incorporated into and made a part of this Plan as if set forth in full herein.

ARTICLE III

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

The following tables designate the classes of Claims against and Equity Interests in each of the Debtors and specify which of those classes are (i) impaired or unimpaired by the Plan in accordance with section 1124 of the Bankruptcy Code, (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code, and (iii) deemed to reject the Plan.

3.1 *NTI Classes - Original*

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
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Class 1A	Priority Non-Tax Claims	unimpaired	No
Class 1B	Administrative Convenience Claims	impaired	Yes
Class 1C	Other Secured Claims	unimpaired	No
Class 1D	LG InfoComm Claim	impaired	Yes
Class 1E	Hughes Claim	impaired	Yes
Class 1F	CDMA California Partners Claim	impaired	Yes
Class 1G	Hanareum Claim	impaired	Yes
Class 1H	Bridge Noteholder Claims	impaired	Yes
Class 1I	General Unsecured Claims	impaired	Yes
Class 1J	Intercompany Claims	impaired	No (deemed to reject)
Class 1K	Existing NTI Series A Common Stock	impaired	Yes
Class 1L	Existing NTI Series B Common Stock	impaired	Yes
Class 1M	Existing Options/Warrants	impaired	Yes

3.1.1 NTI Classes - Modified

<u>Class</u>	<u>Designation</u>	<u>Modified Consent, Unimpaired or Unchanged</u>
Class 1D	LG InfoComm Claim	consent
Class 1E	Hughes Claim	consent
Class 1F	CDMA California Partners Claim	consent
Class 1G	Hanareum Claim	consent
Class 1H	Bridge Noteholder Claims	consent/unimpaired
Class 1I	General Unsecured Claims	unimpaired
Class 1J	[deleted]	[deleted]

3.2 *NPCI Classes - Original*

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
Class 2A	Priority Non-Tax Claims	unimpaired	No
Class 2B	Administrative Convenience Claims	impaired	Yes
Class 2C	Other Secured Claims	unimpaired	No
Class 2D	FCC NPCI Claim	unimpaired	No
Class 2E	LG InfoComm Claim	impaired	Yes
Class 2F	Hughes Claim	impaired	Yes
Class 2G	General Unsecured Claims	impaired	Yes
Class 2H	Intercompany Claims	impaired	No (deemed to reject)
Class 2I	Equity Interests	unimpaired	No

3.2.1 *NPCI Classes - Modified*

<u>Class</u>	<u>Designation</u>	<u>Modified Consent, Unimpaired or Unchanged</u>
Class 2D	FCC NPCI Claim	unimpaired
Class 2E	LG InfoComm Claim	consent
Class 2F	Hughes Claim	consent
Class 2G	General Unsecured Claims	unimpaired
Class 2H	Intercompany Claims	consent
Class 2I	Equity Interests	consent

3.3 *NPI Classes - Original*

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
Class 3A	Priority Non-Tax Claims	unimpaired	No
Class 3B	Administrative Convenience Claims	impaired	Yes
Class 3C	Other Secured Claims	unimpaired	No
Class 3D	Hanareum Claim	impaired	Yes
Class 3E	Bridge Noteholder Claims	impaired	Yes
Class 3F	General Unsecured Claims	impaired	Yes
Class 3G	Intercompany Claims	impaired	No (deemed to reject)
Class 3H	Equity Interests	unimpaired	No

3.3.1 NPI Classes - Modified

<u>Class</u>	<u>Designation</u>	<i>Modified Consent, Unimpaired or Unchanged</i>
Class 3D	Hanareum Claim	consent
Class 3E	Bridge Noteholder Claims	consent/unimpaired
Class 3F	General Unsecured Claims	unimpaired
Class 3G	Intercompany Claims	consent
Class 3H	Equity Interests	consent

3.4 NPPI Classes - Original

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<i>Entitled to Vote</i>
Class 4A	Priority Non-Tax Claims	unimpaired	No
Class 4B	Administrative Convenience Claims	impaired	Yes
Class 4C	Other Secured Claims	unimpaired	No
Class 4D	FCC NPPI Claim	unimpaired	No
Class 4E	Hanareum Claim	impaired	Yes
Class 4F	Bridge Noteholder Claims	impaired	Yes
Class 4G	General Unsecured Claims	impaired	Yes
Class 4H	Intercompany Claims	impaired	No (deemed to reject)
Class 4I	Equity Interests	unimpaired	No

3.4.1 NPPI Classes - Modified

<u>Class</u>	<u>Designation</u>	<i>Modified Consent, Unimpaired or Unchanged</i>
Class 4D	FCC NPPI Claim	unimpaired
Class 4E	Hanareum Claim	consent
Class 4F	Bridge Noteholder Claims	consent/unimpaired
Class 4G	General Unsecured Claims	unimpaired
Class 4H	Intercompany Claims	consent
Class 4I	Equity Interests	consent

3.5 *NWI Classes - Original*

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
Class 5A	Priority Non-Tax Claims	unimpaired	No
Class 5B	Administrative Convenience Claims	impaired	Yes
Class 5C	Other Secured Claims	unimpaired	No
Class 5D	Hanareum Claim	impaired	Yes
Class 5E	Bridge Noteholder Claims	impaired	Yes
Class 5F	General Unsecured Claims	impaired	Yes
Class 5G	Intercompany Claims	impaired	No (deemed to reject)
Class 5H	Equity Interests	unimpaired	No

3.5.1 *NWI Classes - Modified*

<u>Class</u>	<u>Designation</u>	<u>Modified Consent, Unimpaired or Unchanged</u>
Class 5D	Hanareum Claim	consent
Class 5E	Bridge Noteholder Claims	consent/unimpaired
Class 5F	General Unsecured Claims	unimpaired
Class 5G	Intercompany Claims	consent
Class 5H	Equity Interests	consent

3.6 *Administrative Claims and Priority Tax Claims.* Pursuant to section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims shall not be classified for purposes of voting or receiving distributions under the Plan. Instead, all such Claims shall be treated separately as unclassified Claims on the terms set forth in Article V of the Plan.

ARTICLE IV

TREATMENT OF CLAIMS AND EQUITY INTERESTS

4.1 *Classes 1A, 2A, 3A, 4A and 5A – Priority Non-Tax Claims.* Except to the extent that a holder of an Allowed Priority Non-Tax Claim against any of the Debtors has agreed to a different treatment of such Claim, each such holder shall receive on the Distribution Date, in full satisfaction of such Claim, Cash in an amount equal to such Claim.

4.2 *Classes 1B, 2B, 3B, 4B and 5B – Administrative Convenience Claims.* In lieu of treatment under Classes 1I, 2G, 3F, 4G or 5F of the Plan, and in full satisfaction of any and all such Claims, the holder of an Allowed Administrative Convenience Claim shall receive, on the Distribution Date, Cash in an amount equal to the amount of such Allowed Administrative Convenience Claim.

4.3 *Classes 1C, 2C, 3C, 4C and 5C – Other Secured Claims.* Each holder of an Allowed Secured Claim (other than the holders of the Senior Claims) shall receive, at the option of the Reorganized Debtors, either (i) the collateral securing such Allowed Secured Claim, (ii) Cash in an amount equal to the value of the collateral securing such Allowed Secured Claim, or (iii) the treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be unimpaired.

4.4 *Class 2D – FCC NPCI Claim.* The FCC shall receive, on account of the FCC NPCI Claim, whatever payment is (i) agreed to by the FCC or (ii) determined by a Final Disposition to render the FCC NPCI Claim unimpaired under section 1124 of the Bankruptcy Code. Pending a Final Disposition of the Allowed amount of the FCC NPCI Claim, the Debtors shall reserve funds sufficient to, if required upon a Final Disposition of the Allowed amount of the FCC NPCI Claim, bring current all amounts then due and owing to the FCC in respect of the Debtors' C Block PCS licenses as if the full prepetition obligation to the FCC were due and owing. Following a Final Disposition of the Allowed amount of the FCC NPCI Claim, the Debtors shall issue the FCC C Block Notes to the FCC, in the aggregate principal amount of the Allowed FCC NPCI Claim, and the FCC shall thereafter receive Cash payments in accordance with the terms of the FCC C Block Notes.

4.5 *Class 4D – FCC NPPI Claim.* The FCC shall receive, on account of the FCC NPPI Claim, whatever payment is (i) agreed to by the FCC or (ii) determined by a Final Disposition to render the FCC NPPI Claim unimpaired under section 1124 of the Bankruptcy Code. Pending a Final Disposition of the Allowed amount of the FCC NPPI Claim, the Debtors shall reserve funds sufficient to, if required upon a Final Disposition of the Allowed amount of the FCC NPPI Claim, bring current all amounts then due and owing to the FCC in respect of the Debtors' F Block PCS licenses as if the full prepetition obligation to the FCC were due and owing. Following a Final Disposition of the Allowed amount of the FCC NPPI Claim, the Debtors shall issue the FCC F Block Notes to the FCC, in the aggregate principal amount of the Allowed FCC NPPI Claim, and the FCC shall thereafter receive Cash payments in accordance with the terms of the FCC F Block Notes.

4.6 *Classes 1G, 3D, 4E and 5D - Hanareum Claims.* The holders of Allowed Claims in Classes 1G, 3D, 4E and 5D shall receive on the Distribution Date, in full satisfaction of such Claims and subject to the Intercreditor Agreement (i) NTI Senior Subordinated Notes having a principal amount equal to the amount of such Allowed Claims and (ii) a pro rata distribution of 3,500,000 NTI Series B Warrants.

4.7 *Classes 1D and 2E - LG InfoComm Claims.* The holders of Allowed Claims in Classes 1D and 2E will receive on the Distribution Date, in full satisfaction of such Claims, (i) Cash in an amount equal to 77% of such Allowed Claims, in the aggregate and (ii) 1,000,000 NTI Series B Warrants, in the aggregate.

4.8 *Class 1F - CDMA California Partners Claim.* Each holder of an Allowed Claim in Class 1F will receive on the Distribution Date, in full satisfaction of such Claim and subject to the Intercreditor Agreement, NTI Senior Subordinated Notes having a principal amount equal to the amount of such Allowed Claim.

4.9 *Class 1E - Hughes Claims.* The holder of Allowed Claims in Class 1E shall receive on the Distribution Date, in full satisfaction of such Claims, Cash in an amount equal to 75% of such Allowed Claims, in the aggregate.

4.10 *Classes 1H, 3E, 4F, and 5E – Bridge Noteholders Claims.* Each Consenting Bridge Noteholder shall receive on the Distribution Date, in full satisfaction of such Allowed Claim and subject to the Intercreditor Agreement (i) NTI Senior Subordinated Notes having a principal amount equal to the amount of such Allowed Claim and (ii) a pro rata distribution of NTI Series B Warrants based upon the principal amount of Bridge Notes held by such Consenting Bridge Noteholder. The number of NTI Series B Warrants to be distributed to each Consenting Bridge Noteholder shall be equal to (x) the principal amount of Bridge Notes held by such Consenting Bridge Noteholder divided by (y) the total outstanding principal amount of Bridge Notes multiplied by (z) 32,000,000. In no event shall the maximum number of NTI Series B Warrants distributable to Consenting Bridge Noteholders exceed 32,000,000. Bridge Noteholders who are not Consenting Bridge Noteholders shall, in accordance with a Final Disposition of such Claims, receive the treatment required under section 1124 of the Bankruptcy Code for such Claims to be unimpaired.

4.11 *Classes 1I, 2G, 3F, 4G and 5F – General Unsecured Claims.* Each holder of an Allowed General Unsecured Claim shall receive on the Distribution Date, in full satisfaction of such Claim, the following treatment:

4.11.1 *Default Treatment.* In respect of Allowed General Unsecured Claims, each such holder shall receive the treatment required under section 1124 of the Bankruptcy Code for such Claim to be unimpaired.

4.11.2 *Election for Plan Securities.* Alternatively, each holder of an Allowed General Unsecured Claim who so opts shall receive (i) shares of NTI Senior Redeemable Preferred Stock having a stated value equal to the amount of such Allowed Claim and (ii) a pro rata distribution of NTI Series B Warrants based upon the amount of such Allowed Claim. The aggregate number of NTI Series B Warrants available for distribution to holders of Allowed General Unsecured Claims electing to receive Plan Securities shall be equal to (x) the total amount of Allowed General Unsecured Claims electing to receive Plan Securities pursuant to this section 4.11.2 divided by (y) the total amount of Allowed General Unsecured Claims multiplied by (z) 3,500,000. In no event shall the maximum number of NTI Series B Warrants distributable to holders of Allowed General Unsecured Claims exceed 3,500,000. A notice informing holders of General Unsecured Claims of the option to receive NTI Senior Redeemable Preferred Stock and NTI Series B Warrants shall be sent by the Debtors no later than fifteen (15) days following the conclusion of the Confirmation Hearing. Any holder of a General Unsecured Claim electing to receive NTI Senior Redeemable Preferred Stock and NTI Series B Warrants shall return a completed election form to the Debtors no later than January 31, 2000. All holders of General Unsecured Claims who do not elect to receive NTI Senior Redeemable Preferred Stock and NTI Series B Warrants by January 31, 2000, shall receive the treatment required for such Claims to be unimpaired, pursuant to section 4.11.1 hereof.

4.12 *Classes 2H, 3G, 4H and 5G – Intercompany Claims.* In exchange for a release and extinguishment of Intercompany Claims, each holder of an Intercompany Claim shall be entitled to retain its direct and indirect Equity Interest in NPCI, NPPI, NPI and NWI.

4.13 *Classes 2I, 3H, 4I and 5H – Equity Interests in NPCI, NPPI, NPI and NWI.* In exchange for a release and extinguishment of Intercompany Claims, each holder of a direct or indirect Equity Interest in NPCI, NPPI, NPI and NWI shall be entitled to retain such interest.

4.14 *Class 1K – Existing NTI Series A Common Stock.* Holders of Existing NTI Series A Common Stock shall retain their existing stock, subject to the rights, privileges and preferences of the holders of Plan Securities.

4.15 *Class 1L – Existing NTI Series B Common Stock.* Holders of Existing NTI Series B Common Stock shall retain their existing stock, subject to the rights, privileges and preferences of the holders of Plan Securities.

4.16 *Class 1M – Existing Options/Warrants.* Each holder of an Existing Option/Warrant shall be entitled to exercise such Existing Options/Warrants prior to the Voting Deadline in accordance with the procedures specified on the Ballot. On the Effective Date, all unexercised Existing Options/Warrants shall be extinguished and terminated.

4.17 *Conversion Rights.* Each holder of an Allowed Claim having a contractual right to convert such Claim into shares of Existing NTI Series B Common Stock may exercise such conversion right for all or any portion of such Claim at any time prior to the Voting Deadline, to be effective on the Effective Date, in accordance with the terms and provisions of the documents underlying such Claim, as modified by the procedures specified in the Disclosure Statement; provided, however, that such conversion rights shall be limited by the Debtors, in their sole discretion, to the extent necessary to avoid any violation of any FCC rule, regulation or requirement in effect at the time of such conversion. Confirmation of the Plan is a “liquidity event”, as that term is defined in the Debtors’ outstanding securities and instruments, thereby triggering, *inter alia*, conversion or vesting. For purposes of treatment under the Plan, the portion of an Allowed Claim that is converted into shares of Existing NTI Series B Common Stock shall cease to be an Allowed Claim and shall receive the treatment accorded to Class 1L. Any portion of an Allowed Claim subject to conversion under this section 4.17, but not so converted shall continue to be an Allowed Claim in the appropriate Class for the amount not converted and receive the treatment accorded to the holders of Allowed Claims in such Class.

ARTICLE V

TREATMENT OF UNCLASSIFIED CLAIMS

5.1 *Administrative Claims.* All Administrative Claims against the Debtors shall be treated as follows:

5.1.1 *Time for Filing.* All holders of Administrative Claims (other than the DIP Loan Claim), including Professional Persons holding Fee Claims, shall file with the Bankruptcy Court a request for payment of such Claims within sixty (60) days after the Confirmation Date. Any such request must be served on the Debtors and their counsel and must, at a minimum, set forth (i) the name of the holder of the Claim; (ii) the amount of the Claim; and (iii) the basis for the Claim. A failure to file any such request in a timely fashion will result in the Administrative Claim in question being discharged and its holder forever barred from asserting such Claim against the Debtors.

5.1.2 *Allowance.* An Administrative Claim (other than the DIP Loan Claim) for which a request for payment has been properly filed shall become an Allowed Administrative Claim unless an objection is filed by the Objection Deadline. If an objection is timely filed, the Administrative Claim in question shall become an Allowed Administrative Claim only to the extent so allowed by final order of the Bankruptcy Court.

5.1.3 *Payment.* Except to the extent that a holder of an Allowed Administrative Claim has agreed to a different treatment of such Claim, each holder of an Allowed Administrative Claim (other than the DIP Loan Claim) shall receive on the Distribution Date, on account of such holder's Claim, Cash in an amount equal to the amount of such holder's Allowed Claim.

5.1.4 *DIP Loan Claims.* Each holder of a DIP Loan Claim shall receive, in full satisfaction of such Claim (i) shares of NTI Series A Convertible Preferred Stock having a stated value equal to (A) two (2) times the aggregate principal amount outstanding under Tranche 1 and Tranche 2 of the DIP Loan Agreement and (B) 1.33 times the aggregate principal amount outstanding under Tranche 3 of the DIP Loan Agreement as of the Effective Date and (ii) Cash in an amount equal to accrued interest and any other amounts payable under the DIP Loan Agreement (except principal) on the Effective Date.

5.2 *Priority Tax Claims.* Except to the extent that a holder of an Allowed Priority Tax Claim has agreed to a different treatment of such Claim, each holder of an Allowed Priority Tax Claim shall receive on account of such Claim deferred Cash payments over a six-year period having a value, as of the Effective Date, equal to the amount of such Allowed Claim. The first of such deferred Cash payments shall be made on the Distribution Date and thereafter, shall be made on the anniversary of the Distribution Date in each succeeding year up to and including the sixth anniversary of the Distribution Date.

5.3 *Confirmation Bonus.* On the Effective Date, options to purchase up to 6,900,000 shares of NTI Series B Common Stock will be granted to Current Active Employees or consultants as a confirmation bonus. The allocation of such options shall be determined prior to the Confirmation Hearing by NTI's current Board of Directors, after consultation with the Committee and such other constituencies who have been involved in the Chapter 11 Cases as the Board deems appropriate. The

Board of Directors may, in its sole discretion, award shares of stock in Reorganized NTI in lieu of options.

ARTICLE VI

ACCEPTANCE OR REJECTION OF THE PLAN; EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS OR EQUITY INTERESTS

6.1 *Classes Entitled to Vote.* Each impaired class of Claims shall be entitled to vote separately to accept or reject the Plan as provided in the order entered by the Bankruptcy Court governing the voting and balloting procedures applicable to the Plan. Any unimpaired class of Claims shall be deemed to have accepted the Plan. Any class of Claims or Equity Interests that will not receive or retain any property on account of such Claims or Equity Interests shall be deemed to have rejected the Plan.

6.2 *Class Acceptance Requirement.* A class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (**b**) in amount and more than one-half (½) in number of the Allowed Claims in such class that have voted on the Plan.

6.3 *Confirmation Requirements.* The confirmation requirements of section 1129 of the Bankruptcy Code must be satisfied separately with respect to NPCI, NPPI, NPI, NWI and NTI. Therefore, if the Plan is not confirmed as to each of NPCI, NPPI, NPI, NWI and NTI, the Plan shall not be confirmed as to any of the Debtors.

6.4 *Cramdown.* If any class of Claims shall fail to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code, the Debtors intend to request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code.

ARTICLE VII

FUNDING OF THE PLAN AND MEANS FOR IMPLEMENTATION

7.1 *Vendor Financing.* The Reorganized Debtors are authorized to enter into and consummate the documents and agreements embodying the terms of the Vendor Commitment Letters and are authorized to form additional affiliates, as necessary, to facilitate the same.

7.2 *Working Capital – Issuance of NTI Series A Convertible Preferred Stock.* New investors will provide a range of \$1.2 billion to 1.7 billion of working capital to the Reorganized Debtors, subject to the Reorganized Debtors' sole discretion to increase such amount, in exchange for the issuance of shares of NTI Series A Convertible Preferred Stock. New investors who commit to purchase shares of NTI Series A Convertible Preferred Stock by executing a subscription agreement on or before December 15, 1999, shall, in addition to their NTI Series A Convertible Preferred Stock, receive NTI Series B Warrants to purchase that number of shares equal to two percent (2%) of the total amount of each new investor's investment accepted by the Debtors divided by three (3). The Debtors or the Reorganized Debtors, as the case may be, are (i) authorized to issue

the NTI Series A Convertible Preferred Stock, (ii) authorized to and have the sole and exclusive right to determine the appropriate investment amount and how many shares of NTI Series A Convertible Preferred Stock, in the aggregate to issue, based upon their assessment of the timing and amount of working capital needs, subject to a minimum amount of \$1 billion, and (iii) authorized to borrow or issue such debt or equity securities in the future as may be appropriate to finance their operations, so long as such actions do not contravene the terms of any then outstanding Plan Securities or the provisions of the then effective certificates of incorporation of the Reorganized Debtors.

7.3 *Boards of Directors.* The initial boards of directors of the Reorganized Debtors shall, at a minimum, be their current boards of directors, the identities of which are disclosed in the Disclosure Statement. Each of the Debtors' respective Boards of Directors shall have the President and Chief Executive Officer of each of the other respective Debtors as a member. There shall be a minimum of one outside director on each of the Compensation Committee and the Audit Committee of the Reorganized Debtors. The subsequent tenure and manner of selection of directors shall be as provided in the certificates of incorporation and bylaws of the Reorganized Debtors.

7.4 *Other Officers.* The initial corporate officers of the Reorganized Debtors shall be their current corporate officers, the identity of which is disclosed in the Disclosure Statement. The boards of directors of the Reorganized Debtors shall determine the subsequent selection of officers as provided in the certificates of incorporation and bylaws of the Reorganized Debtors.

7.5 *Certificates of Incorporation and Bylaws.* The amended and restated certificates of incorporation and bylaws of the Reorganized Debtors shall be filed as Plan Documents and shall be their current certificates of incorporation and bylaws, as amended to, *inter alia*, prohibit the issuance of non-voting equity securities (other than any warrants) as required by section 1123(a)(6) of the Bankruptcy Code, subject to further amendment as permitted by applicable law.

7.6 *Stock Option Plan.* The Incentive Option Shares shall be reserved for management, consultant and/or employee incentive programs to be implemented by the Board of Directors of Reorganized NTI, as it may deem appropriate and shall be granted pursuant to a stock option plan and/or stock option agreements containing such terms and conditions as shall be determined by the Board of Directors of Reorganized NTI. Such Incentive Option Shares shall be exercisable at \$1.50 per share, or such other price as the Board of Directors may establish, and vest on a pro rata basis during the 48 months following the Effective Date. The stock option plan and/or stock option agreements shall be submitted to the Bankruptcy Court for approval as a Plan Document.

7.7 *Securities Exemption.* It is an integral and essential element of this Plan that the issuance of Plan Securities pursuant to this Plan to the holders of Allowed Claims, and the subsequent exercise of NTI Series B Warrants by such holders or transferees to purchase the securities issuable thereunder and the conversion of the NTI Series A Convertible Preferred Stock pursuant to its terms by such holders or transferees, shall be exempt from registration under the Securities Act pursuant to section 1145 of the Bankruptcy Code or, with respect to NTI Series A Convertible Preferred Stock and NTI Series B Warrants issued to Persons other than such holders of Allowed Claims, pursuant to section 4(2) of the Securities Act. Any such securities issued to an "affiliate" of the issuer of Plan Securities within the meaning of the Securities Act or any Person the Debtors reasonably determine

to be an “underwriter,” and which does not agree to resell such securities only in “ordinary trading transaction,” within the meaning of section 1145(b)(1) of the Bankruptcy Code, shall be subject to such transfer restrictions and bear such legends as shall be appropriate to ensure compliance with the Securities Act.

7.8 *Stock Loan Program.* NTI shall implement, as of the Effective Date, a stock loan program to assist Current Active Employees and board members who choose to exercise some or all of their Existing Options/Warrants under the Plan with paying the cost incurred by such Current Active Employee or board member with respect to such exercise. Upon written request of any such employee or board member, NTI shall provide a loan to such individual up to the full amount of such individual’s exercise price for the Existing Options/Warrants being exercised. Any such loan made by NTI shall be secured by all shares of NTI Series B Common Stock issued to such individual as a result of such exercise. Loans granted as a result of the stock loan program shall carry a term of five (5) years and bear interest at a rate equal to the applicable federal mid-term rate (as defined in section 1274(d) of the Internal Revenue Code) in effect on the date of exercise of Existing Options/Warrants. All amounts of principal and accrued interest shall be payable in full on the maturity date of the loan. Any loan made by NTI pursuant to the stock loan program may be prepaid in full at any time prior to the maturity date without penalty, but shall become immediately due and payable in full (including all accrued interest) ninety (90) days following the date the employee or board member to whom such loan was made ceases to be a board member and/or an employee of NTI for any reason whatsoever. At the time NTI advances funds to an employee or board member pursuant to the stock loan program, such employee or board member shall execute (i) a promissory note made payable to NTI evidencing the principal amount of the loan and embodying all the terms thereof, and (ii) a pledge and security agreement granting NTI a senior, first priority security interest in any NTI Series B Common Stock issued pursuant to the exercise of Existing Options/Warrants under the Plan. Any loan made pursuant to the stock loan program shall be recourse against the borrower.

ARTICLE VIII

DISTRIBUTIONS

8.1 *Date of Distributions.* Any distributions and deliveries to be made under the Plan shall be made on the Distribution Date.

8.2 *Disbursing Agent.* All distributions under this Plan shall be made by the Reorganized Debtors, as Disbursing Agent, or any other entity designated by any of the Reorganized Debtors as Disbursing Agent commencing on the Effective Date.

8.3 *Rights and Powers of Disbursing Agent.* The Disbursing Agent shall be empowered to (i) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under this Plan; (ii) make all distributions contemplated hereby; (iii) employ professionals to represent it with respect to its responsibilities; and (iv) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to this Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

8.4 *De Minimis Distributions.* No distribution of less than one hundred dollars (\$100.00) in Cash or Plan Securities shall be made to any holder of an Allowed Claim or Equity Interest. Such undistributed consideration shall be retained by the Reorganized Debtor from which such distribution was to be made.

8.5 *Fractional Shares.* No fractional shares of Plan Securities or Cash in lieu thereof shall be distributed. For purposes of distribution, fractional shares of Plan Securities shall be rounded down to the nearest whole number.

8.6 *DIP Loan Participants.* For purposes of the distributions under this Plan, each Participant under the DIP Loan Agreement shall be treated as a lender thereunder and shall receive its pro rata share of any distribution from the Disbursing Agent.

8.7 *Means of Payment.* Payments made pursuant to the Plan shall be in Cash unless stated otherwise.

8.8 *Delivery of Distributions.* Subject to Bankruptcy Rule 9010, distributions to holders of Allowed Claims and Allowed Equity Interests shall be made at the address of each such holder as set forth on the proofs of claim or proofs of equity interest filed by such holders (or at the last known address of such holder as of the Confirmation Date if no proof of claim or proof of equity interest is filed or if the Debtors have been notified in writing of a change of address). If any distribution to the holder of an Allowed Claim or Allowed Equity Interest is returned as undeliverable, no further distributions to such holder shall be made unless and until the Reorganized Debtors are notified of such holder's then current address, at which time all missed distributions shall be made to such holder without post-Effective Date interest. All Claims for undeliverable distributions shall be made on or before the later of (i) the second anniversary of the Effective Date; or (ii) ninety (90) days after the date on which such Claim becomes Allowed. After such date, all unclaimed property shall revert to the Reorganized Debtors or their successors and the Claim of any holder with respect to such property shall be discharged and forever barred.

8.9 *Time Bar to Payments.* Checks issued by the Reorganized Debtors in respect of Allowed Claims shall be null and void if not negotiated within six (6) months after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Reorganized Debtors by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made on or before the later of (i) the second anniversary of the Effective Date; or (ii) ninety (90) days after the date of issuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

8.10 *Surrender of Instruments.* As a condition to receiving any distribution under this Plan, each holder of an Existing Option/Warrant, an LG InfoComm Claim, a Hughes Claim, a CDMA California Partners Claim, a Hanareum Claim and/or a Bridge Noteholder Claim shall surrender any and all promissory notes, options, warrants and any and all other and related documents evidencing such Claim or Equity Interest to the Disbursing Agent. Any such holder that fails to (i) surrender such instrument or (ii) execute and deliver an affidavit of loss and/or indemnity reasonably satisfactory

to the Disbursing Agent before the first anniversary of the Effective Date shall be deemed to have forfeited all rights and claims and may not participate in any distribution under this Plan.

ARTICLE IX

PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

9.1 *Objection Deadline.* Objections to Claims shall be filed with the Bankruptcy Court and served upon the holders of each of the Claims to which objections are made by the Objection Deadline.

9.2 *Prosecution of Objections.* On and after the Effective Date, except as the Bankruptcy Court may otherwise order, the filing, litigation, settlement or withdrawal of all objections shall be the exclusive right of the Reorganized Debtors, except that objections to Fee Claims may be made by parties in interest in accordance with the Bankruptcy Rules.

9.3 *No Distributions Pending Allowance.* Notwithstanding any other provision of the Plan, no payment or distribution shall be made in respect of any Claim or portion thereof to the extent it is a Disputed Claim, unless and until such Disputed Claim becomes an Allowed Claim. The Reorganized Debtors shall withhold from the property to be distributed on the Distribution Date the Withheld Distribution Amount, which shall be an amount sufficient to be distributed on account of Claims that are not Allowed Claims as of the Effective Date. Each holder of a Disputed Claim shall receive a distribution on the Effective Date for the part of such Claim that is not a Disputed Claim.

9.4 *Late Filed Claims.* Unless otherwise provided in a final order of the Bankruptcy Court entered on or before the Objection Deadline, any Claim for which a proof of Claim is filed after the Bar Date shall be deemed disallowed. The holder of a Claim that is disallowed pursuant to this section 9.4 shall not receive any distribution on account of such claim and the Reorganized Debtors shall not need to take any affirmative action for such Claim to be deemed disallowed.

9.5 *Distributions Relating to Disputed Claims.* At such time as all or any portion of a Disputed Claim becomes an Allowed Claim, the Withheld Distribution Amount, together with the actual interest or dividends earned on account of such property, shall be released and delivered to the holder of such Claim on account of the allowance of such Disputed Claim or any portion thereof. To the extent that all or a portion of a Disputed Claim is disallowed, the holder of such Claim shall not receive any distribution on account of the portion of such Claim that is disallowed. The Withheld Distribution Amount attributable to the disallowed portion of a Disputed Claim shall be retained by the applicable Reorganized Debtor. In no event, however, shall the holder of an Allowed Claim be entitled to receive more than the allowed amount of such Claim.

ARTICLE X

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

10.1 *Rejection of Executory Contracts.* All executory contracts and unexpired leases to which the Debtors are a party which (i) have not previously been assumed or rejected pursuant to a final order of the Bankruptcy Court; (ii) are not subject to a pending motion to assume or reject as of the Confirmation Date; or (iii) are not listed on the Contract Notice shall be deemed rejected by the Debtors as of the Confirmation Date.

10.2 *Cure of Defaults.* As to any executory contract or unexpired lease assumed by the Debtors, the Debtors shall, pursuant to the provisions of sections 1123(a)(5)(G) and 1123(b)(2) of the Bankruptcy Code and consistent with the requirements of section 365 of the Bankruptcy Code, cure all defaults under any such executory contract or unexpired lease within sixty (60) days following Effective Date.

10.3 *Rejection Claims.* Any Person that is a party to an executory contract or unexpired lease with the Debtors that is rejected on or after the Confirmation Date shall file any Claim for damages as a result of such rejection within thirty (30) days after the date of such rejection or any such Claim shall be discharged and forever barred.

ARTICLE XI

CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVENESS

11.1 *Conditions to Confirmation.* Confirmation of the Plan shall not occur unless the following conditions have been satisfied or waived by the Debtors:

11.1.1 The Bankruptcy Court shall have entered the Confirmation Order, in a form and substance acceptable to the Debtors;

11.1.2 The Debtors shall have received commitments in the minimum amount of \$1 billion for the purchase of NTI Series A Convertible Preferred Stock; and

11.1.3 The Bankruptcy Court shall have approved the Plan Documents, in a form reasonably acceptable to the Committee.

11.2 *Conditions to Effective Date.* The Effective Date of the Plan shall not occur unless and until each of the following conditions have been satisfied or waived by the Debtors:

11.2.1 The Bankruptcy Court shall have entered a Confirmation Order, the effect of which shall not have been stayed by a court of competent jurisdiction;

11.2.2 The Debtors shall have received a minimum of \$1 billion for the purchase of shares of NTI Series A Convertible Stock; and

11.2.3 All Plan Documents, except for the FCC C Block Notes and the FCC F Block Notes to the extent a Final Disposition of the FCC Claims has not been made, shall have been executed and delivered by the parties thereto, or receipt thereof waived by the Debtors, and any conditions to the effectiveness of the Plan Documents shall have been satisfied or waived, as provided therein.

11.3 *Waiver of Conditions.* Any of the foregoing conditions may be waived by the Debtors with the consent of the Committee, which consent shall not be unreasonably withheld, in whole or in part, without notice, at any time, without an order of the Bankruptcy Court and without any formal action other than proceeding to consummate this Plan.

ARTICLE XII

RETENTION OF JURISDICTION

12.1 *Jurisdiction of the Bankruptcy Court.* On or after the Effective Date, the Bankruptcy Court shall retain and have exclusive jurisdiction over all matters arising in, arising under and related to the Chapter 11 Cases to the fullest extent permitted by law for, among other things, the following purposes:

12.1.1 To hear and determine any and all pending applications for the rejection, assumption or assignment of any executory contracts or unexpired leases and the allowance of Claims resulting therefrom;

12.1.2 To hear and determine any motion, application, adversary proceeding, contested matter and other litigated matter pending on the Confirmation Date;

12.1.3 To hear and determine any causes of actions or claims retained by the Reorganized Debtors pursuant to section 15.2, whether or not any contested matter or adversary proceeding with respect to such causes of action has been commenced as of the Confirmation Date;

12.1.4 To ensure that distributions to holders of Claims are accomplished as provided in the Plan;

12.1.5 To consider Claims or the allowance, classification, priority, compromise, estimation or payment of any Claim, Administrative Claim or Equity Interest;

12.1.6 To enter, implement or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;

12.1.7 To hear and determine all Fee Applications;

12.1.8 To hear and determine any application to modify this Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in this Plan, the Disclosure Statement or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

12.1.9 To issue injunctions, enter and implement other orders and take such other actions as may be necessary or appropriate to restrain interference by any Person with the consummation, implementation or enforcement of this Plan, the Confirmation Order or any other order of the Bankruptcy Court;

12.1.10 To hear and determine disputes arising in connection with the execution, interpretation, implementation, consummation or enforcement of the Plan;

12.1.11 To take any action and issue such orders as may be necessary to construe, enforce, implement, execute and consummate the Plan or to maintain the integrity of the Plan following consummation;

12.1.12 To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

12.1.13 To hear and determine any matters concerning state, local and federal taxes, including matters arising under or with respect to sections 346, 505, and 1146 of the Bankruptcy Code;

12.1.14 To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code; and

12.1.15 To enter a final decree closing the Chapter 11 Cases.

12.2 *Failure of Bankruptcy Court to Exercise Jurisdiction.* If for any reason the Bankruptcy Court abstains from exercising or refuses or declines to exercise jurisdiction over any matter arising in, arising under or related to the Chapter 11 Cases, including the matters set forth in section 12.1, such abstention, refusal or declination shall have no effect on the exercise of jurisdiction by any other court which has jurisdiction over such matter.

ARTICLE XIII

EFFECTS OF CONFIRMATION; PROPERTY AND DISCHARGE

13.1 *Discharge of Claims and Termination of Certain Equity Interests.* Except as otherwise provided herein or in the Confirmation Order, the rights afforded in the Plan and the payments and distributions to be made hereunder shall discharge all existing debts and Claims, and terminate all Equity Interests, of any kind, nature or description whatsoever against or in the Debtors or any of their assets or properties to the fullest extent permitted by section 1141 of the Bankruptcy Code. Except as provided in the Plan, upon the Effective Date, all existing Claims against the Debtors and Equity Interests in the Debtors, shall be, and shall be deemed to be, discharged and terminated, and all holders of Claims and Equity Interests shall be precluded and enjoined from asserting against the Reorganized Debtors, or any of their assets or properties, any other or further Claim or Equity Interest based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of Claim or proof of Equity Interest.

13.2 *Discharge of Debtors.* Upon the Effective Date and in consideration of the distributions to be made hereunder, except as otherwise expressly provided herein, each holder (as well as any trustees and agents on behalf of each holder) of a Claim or Equity Interest and any affiliate of such holder shall be deemed to have forever waived, released and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims,

rights and liabilities that arose prior to the Effective Date. Upon the Effective Date, all such Persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or terminated Equity Interest in the Reorganized Debtors.

13.3 *Exculpations.* Neither the Debtors, the Disbursing Agent, the Committee nor any of their respective members, officers, directors, employees, agents, attorneys or professionals, including but not limited to Donaldson, Lufkin & Jenrette Securities Corporation, and its affiliates, its parent and its parent's affiliates, and their respective officers, directors, agents and employees, shall have or incur any liability to any holder of any Claim or Equity Interest for any act or omission arising out of or in connection with the Chapter 11 Cases, the confirmation of the Plan, the consummation of the Plan (including the raising of financing in connection therewith), or the administration of the Plan or property to be distributed under the Plan, except for willful misconduct or gross negligence.

13.4 *Injunction Against Interference With Plan.* Upon the entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of this Plan.

13.5 *Vesting of Assets.* Upon the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property of the Debtors' bankruptcy estates shall vest in the Reorganized Debtors free and clear of all Claims, liens, encumbrances, charges and other interests, except as provided herein. The Reorganized Debtors may operate their business free of any restrictions imposed by the Bankruptcy Code and, in all respects, as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as provided herein.

ARTICLE XIV

SETTLEMENT AND COMPROMISE OF CERTAIN CLAIMS

14.1 *Amount of Allowed Claims.* Under the Plan, (i) the Consenting Bridge Noteholders Claims shall be Allowed in the maximum amount of \$174,327,294.98, in the aggregate, (ii) the Hughes Claims shall be Allowed at \$44,718,333.33, in the aggregate, (iii) the Hanareum Claims shall be Allowed at \$40,095,311.73, in the aggregate and (iv) the LG InfoComm Claims shall be Allowed at \$43,193,335.70, in the aggregate, each in full and final satisfaction of any and all such Claims against the Debtors. Each Consenting Bridge Noteholder shall have an Allowed Claim in an amount equal to (x) the principal amount of Bridge Notes held by such holder divided by (y) the total principal amount of all Bridge Notes multiplied by (z) \$174,327,294.98. Bridge Noteholders shall receive the treatment set forth in section 4.10 of this Plan.

14.2 *Release.* In exchange for the settlement and compromise set forth in this Article XIV and the treatment set forth in this Plan, the Debtors shall, and upon the Confirmation Date, hereby do, release the Consenting Bridge Noteholders, Hughes, Hanareum and LG InfoComm from any and all claims arising out of, in connection with or relating to the Bridge Noteholders Claims, the Hughes Claims, the Hanareum Claims and the LG InfoComm Claims, including, but not limited to, all causes

of action arising under Chapter 5 of the Bankruptcy Code, as discussed in section XIV(B)(2)(c) of the Disclosure Statement.

ARTICLE XV

MISCELLANEOUS PROVISIONS

15.1 *Dissolution of Committee.* The Committee shall dissolve within sixty (60) days following the Effective Date, unless otherwise ordered by the Bankruptcy Court.

15.2 *Retention of Claims and Causes of Action.* Pursuant to section 1123(b)(3) of the Bankruptcy Code, and except as otherwise provided herein, the Reorganized Debtors will retain and may enforce any and all claims and causes of action of the Debtors, including, but not limited to, any claims for contribution or indemnification, and any claims to recover preferences or fraudulent conveyances pursuant to sections 544, 547, 548, and 550 of the Bankruptcy Code.

15.3 *Payment of Statutory Fees.* On the Effective Date, and thereafter as may be required, the Reorganized Debtors shall pay all fees payable pursuant to 28 U.S.C. § 1930 and prepare and submit such post-Confirmation reports as may be required with respect thereto.

15.4 *Recognition of Guaranty Rights.* The classification of and manner of satisfying all Claims and Equity Interests under the Plan take into consideration (i) the existence of guaranties by the Debtors of obligations of other Persons, and (ii) the fact that the Debtors may be joint obligors with each other or other Persons, with respect to an obligation. All Claims against any of the Debtors based upon any such guaranties or joint obligations shall be discharged in the manner provided in the Plan.

15.5 *Recognition of Subordination Rights.* Except as otherwise provided in the Plan, all Claims based upon any claimed contractual subordination rights pursuant to any provision of the Bankruptcy Code or other applicable law, shall be deemed satisfied by the distributions under the Plan to holders of Allowed Claims having any such contractual subordination rights. The distributions to the various classes of Claims under the Plan shall not be subject to levy, garnishment, attachment or like legal process for any holder of a Claim or Equity Interest by reason of any claimed contractual subordination rights or otherwise of the holder of a Claim or Equity Interest against the holder of another Claim or Equity Interest, except as expressly provided in the Plan. On the Effective Date, all holders of Claims shall be deemed to have waived any and all contractual subordination rights that they may have with respect to such distributions, and the Bankruptcy Court shall permanently enjoin, effective as of the Effective Date, all such holders from enforcing or attempting to enforce any such subordination rights with respect to such distributions.

15.6 *Setoff Rights.* In the event that the Debtors have a claim of any nature whatsoever against the holder of a Claim, the Debtors may, but are not required to, setoff against the Claim (and any payments or other distributions to be made in respect of such Claim hereunder) their claim against the holder, unless any such claim is or will be released under the Plan. Neither the failure to set off

nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors of any claim that the Debtors have against the holder of a Claim.

15.7 *Substantial Consummation.* On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101(2) and 1127(b) of the Bankruptcy Code.

15.8 *Revocation.* The Debtors reserve the right to revoke and withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, then the Plan shall be null and void and, in such event, nothing contained herein shall be deemed to (i) constitute a waiver or release of any Claim by or against the Debtors or any other Person; (ii) prejudice in any manner the rights of the Debtors or any other Person; (iii) constitute an allowance of any Claim or Claims that have been Allowed herein for the purposes hereof; or (iv) constitute any admissions by the Debtors or any other Person in any further proceedings involving the Debtors.

15.9 *Amendments.*

15.9.1 *Plan Modifications.* This Plan may be amended, modified or supplemented by the Debtors or the Reorganized Debtors before or after the Confirmation Date and before Substantial Consummation of the Plan with the consent of the Committee, which consent shall not be unreasonably withheld, in the manner provided by section 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as the Bankruptcy Court may otherwise direct; provided, however, that the Debtors shall provide any party requesting notice of all amendments, modifications or supplements with appropriate written notice of the same. In addition, after the Confirmation Date, so long as such action does not adversely affect the treatment of holders of Claims or Equity Interests under the Plan, the Debtors may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and with respect to such matters as may be necessary to carry out the purposes and effects of the Plan.

15.9.2 *Other Amendments.* Prior to the Effective Date the Debtors may make appropriate technical non-material adjustments and modifications to this Plan or the Disclosure Statement without further order or approval of the Bankruptcy Court, provided that such technical adjustments and modifications do not adversely affect the treatment of holders of Claims or Equity Interests.

15.10 *Binding Effect.* The Plan shall be binding upon and inure to the benefit of the Debtors, the holders of Claims, the holders of Equity Interests, and their respective successors and assigns, and the Intercreditor Agreement shall be binding upon and inure to the benefit of the signatories thereto and their respective successors and assigns; provided, however, that if the Plan is not confirmed or the Effective Date does not occur, the Plan shall be null and void and nothing contained herein or in the Disclosure Statement shall be deemed to (i) constitute a waiver, acknowledgment or release of any Claim by or against any Equity Interest in the Debtors or any other Person; (ii) prejudice in any manner the rights of the Debtors, their respective estates or any other Person; or (iii) constitute any admission by the Debtors or any other Person with respect to any matter set forth herein or in

the Disclosure Statement, including any liability on any Claim or the propriety of the classification thereof.

15.11 *Compliance with Regulations.* Notwithstanding anything contained herein to the contrary, the right to acquire or transfer Plan Securities shall be limited, in the Debtors' sole discretion, to ensure compliance with FCC rules, regulations and requirements in effect at the time of such acquisition or transfer.

15.12 *No Attorneys' Fees.* No attorneys' fees shall be paid by Debtors with respect to any Claim or Equity Interest except as specified herein or as provided by the Confirmation Order or other final order of the Bankruptcy Court.

15.13 *Time.* In computing any period of time prescribed or allowed by this Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

15.14 *Notices.* Any notice required or permitted to be given hereunder shall be in writing and served upon the following parties so as to be received by 4:00 p.m. New York time on or before the date required:

NextWave Telecom Inc.
3 Skyline Drive
Hawthorne, New York 10532
Attn: Frank A. Cassou, Esq.
Facsimile: (914) 345-1141

- and -

Andrews & Kurth L.L.P.
1717 Main Street, Suite 3700
Dallas, Texas 75201
Attn: Deborah L. Schrier-Rape, Esq.
Facsimile: (214) 659-4401

- and -

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Michael F. Walsh, Esq.
Facsimile: (212) 310-8942

- and -

Kasowitz, Benson, Torres & Friedman, L.L.P.
1301 Avenue of the Americas
New York, NY 10019
Attn: David M. Friedman, Esq.
Facsimile: (212) 506-1800

15.15 *Severability.* If the Bankruptcy Court determines that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest, the Debtors may modify the Plan in accordance with section 15.9 of the Plan so that such provision shall not be applicable to the holder of any Claim or Equity Interest. Any such determination of unenforceability shall not (i) limit or affect the enforceability and operative effect of any other provisions of the Plan; or (ii) require the resolicitation of any acceptance or rejection of the Plan unless otherwise ordered by the Bankruptcy Court.

15.16 *Ordinary Course.* From and after the Effective Date, the Reorganized Debtors are authorized to and may enter into all transactions, including, but not limited to, the retention of professionals, and pay any fees and expenses incurred thereby and in connection therewith in the ordinary course of business without the need for Bankruptcy Court approval.

15.17 *Governing Law.* Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, this Plan, the Plan Documents and any agreements, documents, and instruments executed in connection therewith shall be governed by, and construed and enforced in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof, except as may otherwise be provided in such agreements, documents, and instruments.

Dated: New York, New York
December 15, 1999

Respectfully submitted,

COUNSEL FOR THE DEBTORS

**NEXTWAVE WIRELESS INC., NEXTWAVE
POWER PARTNERS INC., NEXTWAVE
PARTNERS INC., NEXTWAVE PERSONAL
COMMUNICATIONS INC., NEXTWAVE
TELECOM INC.**

/s/ Deborah L. Schrier-Rape
Deborah L. Schrier-Rape
Texas State Bar No. 00785635
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/s/ Frank A. Cassou
Frank A. Cassou
Executive Vice President/Secretary

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